



CITY OF DURHAM | DURHAM COUNTY
NORTH CAROLINA



Date: September 21, 2015

To: Thomas J. Bonfield, City Manager

Through: Keith Chadwell, Deputy City Manager

From: Steven L. Medlin, AICP, Planning Director

Subject: Coordinated Annexation Item: Montessori School of Raleigh

Executive Summary. A request for utility extension agreement (EA), voluntary annexation, and initial zoning has been received from the Montessori School of Raleigh for two non-contiguous parcels which front along Andrews Chapel Road.

This non-contiguous annexation (Case BDG1400011) is located adjacent to 'Del-Webb', the bulk of which was annexed into the City in 2011 (Case Z100016A). This annexation is considered to be non-contiguous under state law as it adds property to an existing satellite annexation area (Attachment 1, Sheet 2).

An existing educational facility is located on the site. Currently, no expansions to the use are proposed. The existing school was permitted via a minor special use permit in 2011 (Case B1100006).

Staff recommends an initial zoning of Residential Rural (RR), which is consistent with City Council policy designating the least intense zoning based on the Development Tier and the size of the lot. The subject site is presently zoned RR.

The proposed development has submitted an extension agreement for approval by City Council. Public Works and Water Management performed the utility impact analysis for the utility extension agreement and have determined that the existing City of Durham sanitary sewers and water mains have capacity for the proposed development. No offsite improvements will be required, other than extension of water and sanitary sewer services to the site. Budget and Management Services performed a fiscal impact analysis, which determined that the proposed annexation will generate a net loss upon annexation. This is a common scenario for tax-exempt land uses such as an educational facility.

One motion, with three components, is required by law to approve the utility extension agreement, voluntary annexation petition, and zoning map change.

Recommendation. That the Council approves the utility extension agreement, voluntary annexation, and initial zoning.

Issues and Analysis. This request involves three separate items: a utility extension agreement, voluntary annexation petition, and an initial zoning.

Voluntary Annexation Petition

The Administration is requesting the Council conduct a public hearing and consider annexation of the subject properties with an effective date of September 30, 2015. The public hearing for Case BDG1400011 will be held in compliance with N.C. General Statute 160A-58.2.

Initial Zoning

State Statutes (General Statute 160A-360) require that a municipality annexing land place its zoning designation on the property within 60 days of the effective date of the annexation. Staff is recommending an initial zoning designation of Residential Rural (RR) which is consistent with City Council policy designating the least intense zoning based on the Development Tier and the size of the lot.

Utility Impacts. Water service shall be provided by extending the waterline in Andrews Chapel Road and into the property. Sewer service shall be provided by constructing gravity sanitary sewer line to connect to the existing sewer south of Gam Yarn Lane, part of the Del Webb (basin 25) sanitary sewer system and pump station. There is capacity in the system to serve this project. Water Management and Public Works are not requesting major infrastructure improvements at this time.

Financial Impact. The gas and electric franchise tax has been eliminated and replaced with a state sales tax that is to be shared with cities. Due to these tax reform changes the calculation related to sales tax projections for the purpose of this exercise has been updated. Previously, cost-benefit impacts calculated sales tax based on prior year-end actuals with a cost inflator of two-percent. Since historical information is not yet available, cost-benefit impacts for FY15 will use the adopted sales tax amount for calculation purposes. Once the first year has been collected, the calculation will return to using the prior year-end actual with an inflator.

The estimated annual General Fund revenues generated from this annexation area under the initial zoning map change at project completion in FY2017-18 is \$0. The estimated annual General Fund expenditures associated with providing City services at project completion is \$19,323. The estimated annual General Fund net loss to the City at completion is \$19,323. The cumulative estimated net loss to the City at completion is \$38,847. Please note this project is not proposed to generate any property or sales tax because it has an educational exemption on file.

A cost-benefit analysis is attached that provides cost and revenue projections through FY2023-24, including CIP expenses.

The chart below contains additional details regarding projected departmental revenue and expense projections.

Department/Type	Revenues	Expenses
Emergency Communications	No revenues anticipated	No additional expenses are anticipated
Fire	No revenues anticipated	No additional expenses with the completion of Fire Station 17
Fleet Management	No revenues anticipated	No additional expenses are anticipated
Inspections	The total street impact fees are \$27,900. There are no anticipated developer credits for the street impact fees.	No additional expenses are anticipated
Parks & Recreation	No additional revenues are anticipated	No additional expenses are anticipated
Planning	Total development review fees collected are \$7,235 for this project.	No additional expenses are anticipated
Police	No additional revenues are anticipated	Annual costs for additional coverage area are anticipated at \$19,323 at the completion of the build out. This annexation will only require a portion of an FTE.
Public Works	No additional general fund revenues are anticipated	No additional general fund expenses are anticipated
Solid Waste	No additional revenues are anticipated	No additional expenses are anticipated
Transportation	No additional revenues are anticipated	No additional expenses are anticipated
Water Management	No general fund revenues anticipated	No general fund expenses are anticipated. Any expenditures will be covered by fees collected.

Alternatives. The Council could elect to deny voluntary annexation petition, and EA. No action would be required or authorized on the initial zoning

SDBE Summary. This item has no known SDBE impact.

Staff Resources.

Grace Smith, AICP, CZO, Planning Supervisor
Grace.Smith@durhamnc.gov, 919.560.4137 ext. 28215

Jacob Wiggins, Planner
Jacob.Wiggins@durhamnc.gov, 919.560.4137 ext.28257

Attachments

- Attachment 1: Context Map
- Attachment 2: Aerial Map
- Attachment 3: Utility Map
- Attachment 4: Cost/Benefit Analysis
- Attachment 5: Utility Life Cycle Costs
- Attachment 6: Clerk Certification
- Attachment 7: Utility Extension Agreement
- Attachment 8: Planning Commission Resolution
- Attachment 9: BDG1400011 Annexation Ordinance
- Attachment 10: Initial Zoning Ordinance
- Attachment 11: Consistency Statement